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# Finance and Administration

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# **Finance and Administration**

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Enacted FY 2007	Enacted FY 2008
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	458,505,500	492,606,700	517,993,200	480,731,900	483,436,600
Special Appropriation	428,000				
Salary Compensation Fund	4,212,000				
Base Deduction	-3,533,800				
<b>Total General Fund</b>	459,611,700	492,606,700	517,993,200	480,731,900	483,436,600
<b>Tobacco Settlement-Phase I</b>					
Tobacco Settlement - I	20,846,200	18,017,600	18,022,400	18,017,700	18,022,400
Continuing Appropriation	2,019,100				
<b>Total Tobacco Settlement-Phase I</b>	22,865,300	18,017,600	18,022,400	18,017,700	18,022,400
<b>Restricted Funds</b>					
Balance Forward	19,600,000	16,109,000	16,107,200	14,060,500	11,997,100
Current Receipts	130,130,600	136,174,500	137,572,800	140,400,900	141,630,700
Non-Revenue Receipts	-4,900	6,300	6,300	392,700	361,200
Fund Transfers	-4,991,300			-4,184,900	-4,584,000
<b>Total Restricted Funds</b>	144,734,400	152,289,800	153,686,300	150,669,200	149,405,000
<b>Federal Funds</b>					
Balance Forward	17,600	1,300		1,300	
Current Receipts	3,020,700	1,861,800	1,775,000	1,861,800	1,775,000
<b>Total Federal Funds</b>	3,038,300	1,863,100	1,775,000	1,863,100	1,775,000
<b>Road Fund</b>					
Regular Appropriation	4,331,000	1,826,000	1,826,000	2,400,000	2,400,000
<b>Total Road Fund</b>	4,331,000	1,826,000	1,826,000	2,400,000	2,400,000
<b>TOTAL SOURCE OF FUNDS</b>	634,580,700	666,603,200	693,302,900	653,681,900	655,039,000
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	149,802,800	181,217,100	191,501,900	160,815,300	165,114,800
Operating Expenses	104,409,300	102,306,800	103,127,700	109,110,500	110,392,400
Grants, Loans or Benefits	7,345,000	7,845,000	7,845,000	9,645,000	9,645,000
Debt Service	289,084,800	346,499,200	364,901,700	345,991,300	345,246,700
Capital Outlay	11,819,200	11,798,700	11,010,600	10,256,400	10,116,000
Construction	5,100,000	829,200	829,200	5,866,300	5,898,800
<b>TOTAL EXPENDITURES</b>	567,561,100	650,496,000	679,216,100	641,684,800	646,413,700
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	419,006,300	492,606,700	517,993,200	480,731,900	483,436,600
Tobacco Settlement-Phase I	10,512,900	18,017,600	18,022,400	18,017,700	18,022,400
Restricted Funds	130,673,900	136,182,600	139,599,500	138,672,100	140,779,700
Federal Funds	3,037,000	1,863,100	1,775,000	1,863,100	1,775,000
Road Fund	4,331,000	1,826,000	1,826,000	2,400,000	2,400,000
<b>TOTAL EXPENDITURES</b>	567,561,100	650,496,000	679,216,100	641,684,800	646,413,700
<b>EXPENDITURES BY UNIT</b>					
General Administration	42,483,200	44,597,400	44,725,900	45,573,100	45,598,600
Controller	13,640,600	15,613,900	16,077,900	14,007,000	14,007,200
Debt Service	289,083,300	346,497,700	338,108,200	345,989,800	345,245,200
Facilities and Support Services	38,062,900	38,788,100	60,392,300	37,426,600	37,887,200
County Costs	20,606,500	20,631,500	20,631,500	21,131,500	22,431,500
Commonwealth Office of Technology	60,858,500	63,769,400	68,795,900	62,031,600	63,737,400
Revenue	67,546,800	79,414,900	87,098,700	78,436,500	79,787,900
Property Valuation Administrators	35,279,300	41,183,100	43,385,700	37,088,700	37,718,700
<b>TOTAL EXPENDITURES</b>	567,561,100	650,496,000	679,216,100	641,684,800	646,413,700

The Finance and Administration Cabinet is responsible for managing the financial resources of the Commonwealth and providing central administrative services to agencies of state and local government. The mission of the Finance and Administration Cabinet is to enable its customers to achieve their missions through leadership assistance in the delivery of quality services, effective administration, and sound financial management. The Cabinet provides leadership, coordination, and support to other state agencies to ensure accountability and integrity in the use of public resources. The Finance and Administration Cabinet constantly strives to conduct government business more effectively. Moreover, among the highest priorities of the Cabinet is providing the nine Cabinets and all other agencies of state government with the resources necessary to carry out their stated missions by equitable and efficient revenue collection.

The Cabinet's duties include construction of state facilities, property management, tax administration and collection, management of the Commonwealth's information technology systems, expenditure control, and state purchasing.

The Department of Revenue is the statutory agency of state government responsible for the thorough and equitable administration of all state revenue laws, and for the assessment and collection of state taxes. In fulfilling this responsibility, the Department seeks to ensure taxpayers' voluntary compliance with the revenue laws and regulations, to enforce such laws in those instances where necessary, and to supervise and assist county property valuation administrators in their implementation of the property tax laws.

The Commonwealth Office of Technology (COT) provides leadership, policy direction, and technical support to all executive branch agencies of state government in the application of information technology and the delivery of information services. This broad statement of responsibility encompasses major information resource functions such as data center operations; voice, data, and video communications; application development; data and security administration; computer and data communications, hardware selection and installation; and related end-user and customer support services. The workload for COT is highly sensitive to agency programmatic shifts, particularly changes mandated by state and federal legislation.

**Finance and Administration**  
**General Administration**

	<b>Revised FY 2006</b>	<b>Requested FY 2007</b>	<b>Requested FY 2008</b>	<b>Enacted FY 2007</b>	<b>Enacted FY 2008</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	11,938,200	13,928,500	14,664,200	10,281,500	10,442,600
Salary Compensation Fund	377,500				
Base Deduction	-255,600				
<b>Total General Fund</b>	12,060,100	13,928,500	14,664,200	10,281,500	10,442,600
<b>Restricted Funds</b>					
Balance Forward	3,554,000	2,523,600	6,432,900	710,100	503,800
Current Receipts	29,890,200	33,876,200	33,896,200	38,176,200	38,196,200
Non-Revenue Receipts	-35,200	419,000	419,000	288,900	269,400
Fund Transfers	-2,558,800			-3,779,800	-3,784,800
<b>Total Restricted Funds</b>	30,850,200	36,818,800	40,748,100	35,395,400	35,184,600
<b>Road Fund</b>					
Regular Appropriation	283,000	283,000	283,000	400,000	400,000
<b>Total Road Fund</b>	283,000	283,000	283,000	400,000	400,000
<b>TOTAL SOURCE OF FUNDS</b>	43,193,300	51,030,300	55,695,300	46,076,900	46,027,200
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	11,862,900	14,747,400	15,704,500	12,906,400	13,167,700
Operating Expenses	20,015,800	17,550,000	17,421,400	20,109,000	19,925,500
Grants, Loans or Benefits	2,500,000	2,500,000	2,500,000	4,300,000	4,300,000
Capital Outlay	8,104,500	9,800,000	9,100,000	8,257,700	8,205,400
<b>TOTAL EXPENDITURES</b>	42,483,200	44,597,400	44,725,900	45,573,100	45,598,600
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	12,060,100	13,928,500	14,664,200	10,281,500	10,442,600
Restricted Funds	30,140,100	30,385,900	29,778,700	34,891,600	34,756,000
Road Fund	283,000	283,000	283,000	400,000	400,000
<b>TOTAL EXPENDITURES</b>	42,483,200	44,597,400	44,725,900	45,573,100	45,598,600
<b>EXPENDITURES BY UNIT</b>					
Secretary	4,053,800	4,585,000	4,637,600	5,923,700	5,942,700
Gubernatorial Transition			220,000		
Office of General Counsel	3,793,500	4,630,300	4,831,200	4,642,300	4,725,600
Office of Administrative Services	3,885,100	4,553,500	4,774,400	3,989,800	4,051,800
Fleet Management	26,875,300	26,548,100	25,960,800	27,045,500	27,040,500
Occupations and Professions	726,200	1,101,100	995,100	1,008,600	874,300
Postal Services	3,149,300	3,179,400	3,306,800	2,963,200	2,963,700
<b>TOTAL EXPENDITURES</b>	42,483,200	44,597,400	44,725,900	45,573,100	45,598,600

The General Administration appropriation unit provides coordination and management of the Cabinet. It is comprised of the Office of the Secretary, Office of Public Information, Office of General Counsel, Office of Equal Employment Opportunity, Contract Compliance, and the Office of Administrative Services; including the divisions of Occupations and Professions and Postal Services.

The Office of the Secretary, which includes the Office of Public Information, develops executive policy and directs the overall management of the Commonwealth's property and financial assets. Office staff coordinates fiscal and personnel administration for the Cabinet, reviews all internal reorganizations, prepares the Cabinet legislative package, and handles inquiries and issues that arise from the General Assembly, the news media, and the general public. The Secretary of

Finance serves on numerous boards and commissions including the Kentucky Economic Development Partnership Board, the Kentucky Economic Development Finance Authority, the Kentucky Infrastructure Authority, the Kentucky Higher Education Assistance Authority, and the Kentucky Housing Corporation.

The Office of Equal Employment Opportunity (EEO) and Contract Compliance is responsible for developing, implementing, and monitoring the Finance and Administration Cabinet's affirmative action plan, as required by KRS 18A.138. The Office also monitors all contracts in excess of \$250,000 awarded by the Cabinet to ensure compliance with the affirmative action provisions of the Kentucky Equal Opportunity Act.

The Office of General Counsel provides legal services to the departments of the Finance and Administration Cabinet and Cabinet-related entities. Members of this office represent the Secretary of the Cabinet in civil litigation. The unit also reviews legislation being considered by the General Assembly.

The Office of Administrative Services manages personnel, fiscal policy, and payroll functions for all units within the Finance and Administration Cabinet, the Governor's Office, the Executive Branch Ethics Commission, the School Facilities Construction Commission, and the Lieutenant Governor's Office. This unit prepares the Cabinet's budget and manages the Cabinet's personal property inventory. The Office has responsibility for the management and oversight of the Division of Occupations and Professions, the Division of Printing, and the Division of Postal Services.

The Division of Occupations and Professions provides administrative services and technical assistance to state licensing boards and commissions. Currently, the Division directly supports the following 20 organizations: Alcohol and Drug Counselors, Art Therapy, Athlete Agents, Dietitians and Nutritionists, Fee-Based Pastoral Counselors, Hearing Instrument Specialists, Interpreters for the Deaf and Hard of Hearing, Marriage and Family Therapists, Massage Therapists, Nursing Home Administrators, Occupational Therapy, Ophthalmic Dispensers, Private Investigators, Professional Counselors, Professional Geologists, Proprietary Education, Psychology, Social Work, Speech-Language Pathology and Audiology, and Veterinary Examiners. The services provided by the Division include personnel, property management, budget management, contracting, complaint management, fee collection, enforcement of statutes and regulations, and other issues identified as important to performing the duties of the agency.

The Division of Postal Services has recently consolidated from five locations into one mail management center which provides a more secure environment of the Commonwealth's mail. The Division provides messenger service to all state agencies and performs mail processing functions for over 125 state agencies. This division advises agencies about USPS rules, regulations, and services.

## **Policy**

Executive Order 2005-1254 transferred the state's fleet management program from the Transportation Cabinet to the Finance Cabinet. The General Assembly mandated a fund transfer from the Fleet Management Fund to the General Fund in Part V, House Bill 380 in the amount of \$3,779,800 in fiscal year 2006-2007 and \$3,784,800 in fiscal year 2007-2008.

Executive Order 2005-562 transferred the Division of Printing from the General Administration appropriation unit to the Commonwealth Office of Technology.

Funds that are necessary to meet the Commonwealth's obligations for gubernatorial transition, not to exceed \$220,000 in fiscal year 2007-2008, shall be deemed a necessary government expense, and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

Included in the Budget of the Commonwealth is \$665,400 in General Fund in fiscal year 2006-2007 and \$697,700 in General Fund in fiscal year 2007-2008 for the enhanced revenue collection effort.

**Finance and Administration  
Controller**

	<b>Revised FY 2006</b>	<b>Requested FY 2007</b>	<b>Requested FY 2008</b>	<b>Enacted FY 2007</b>	<b>Enacted FY 2008</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	10,832,100	12,164,400	12,525,600	10,954,300	10,954,300
Salary Compensation Fund	216,300				
Base Deduction	-94,100				
<b>Total General Fund</b>	<b>10,954,300</b>	<b>12,164,400</b>	<b>12,525,600</b>	<b>10,954,300</b>	<b>10,954,300</b>
<b>Restricted Funds</b>					
Balance Forward	2,635,300	2,150,300	2,154,800	950,300	672,400
Current Receipts	1,671,000	2,323,700	2,328,700	1,875,300	1,886,800
Non-Revenue Receipts	30,300	130,300	130,300	103,800	91,800
Fund Transfers	-1,200,000			-204,300	-215,800
<b>Total Restricted Funds</b>	<b>3,136,600</b>	<b>4,604,300</b>	<b>4,613,800</b>	<b>2,725,100</b>	<b>2,435,200</b>
<b>Federal Funds</b>					
Balance Forward	2,900				
Current Receipts	497,100	1,000,000	1,000,000	1,000,000	1,000,000
<b>Total Federal Funds</b>	<b>500,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>14,590,900</b>	<b>17,768,700</b>	<b>18,139,400</b>	<b>14,679,400</b>	<b>14,389,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	7,140,500	8,616,800	9,080,800	7,009,900	7,010,100
Operating Expenses	5,998,600	5,995,600	5,995,600	5,995,600	5,995,600
Grants, Loans or Benefits	500,000	1,000,000	1,000,000	1,000,000	1,000,000
Debt Service	1,500	1,500	1,500	1,500	1,500
<b>TOTAL EXPENDITURES</b>	<b>13,640,600</b>	<b>15,613,900</b>	<b>16,077,900</b>	<b>14,007,000</b>	<b>14,007,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	10,954,300	12,164,400	12,525,600	10,954,300	10,954,300
Restricted Funds	2,186,300	2,449,500	2,552,300	2,052,700	2,052,900
Federal Funds	500,000	1,000,000	1,000,000	1,000,000	1,000,000
<b>TOTAL EXPENDITURES</b>	<b>13,640,600</b>	<b>15,613,900</b>	<b>16,077,900</b>	<b>14,007,000</b>	<b>14,007,200</b>
<b>EXPENDITURES BY UNIT</b>					
Controller	5,203,600	5,585,500	5,692,200	5,254,000	5,280,800
Local Government Services	1,111,400	1,345,400	1,410,700	1,125,500	1,046,100
Rural Empowerment Zone	500,000	1,000,000	1,000,000	1,000,000	1,000,000
Financial Management	3,502,800	3,739,500	3,830,300	3,369,200	3,369,400
Material & Procurement Services	1,726,800	1,978,800	2,077,100	1,689,800	1,716,700
Customer Resource Center	761,500	924,700	970,900	755,200	767,200
Policy and Audit	834,500	1,040,000	1,096,700	813,300	827,000
<b>TOTAL EXPENDITURES</b>	<b>13,640,600</b>	<b>15,613,900</b>	<b>16,077,900</b>	<b>14,007,000</b>	<b>14,007,200</b>

The Office of the Controller provides management for financial accounting control policies and procedures; financial accounting systems; debt management; state purchasing; administration of the Old-Age, Survivors, Disability and Hospital Insurance program; and functions relating to the county fee systems for local entities. The State Controller functions as the Commonwealth's Chief Accounting Officer and participates in the development and maintenance of the Commonwealth's strategic financial management program.

The Division of Local Government Services administers, for the benefit of state employees and political subdivisions

within the Commonwealth, the Old Age and Survivors Insurance program under Section 218 of the federal Social Security Act. This program is responsible for ensuring that the social security obligations of the state and its political subdivisions are met. To fulfill this responsibility, the State Office for Social Security periodically visits each of the political subdivisions for a procedural, compliance, and fiscal audit pursuant to KRS 61.410 - 61.500. The Division also provides personnel, accounting, and other administrative services to counties through the County Costs, County Fees, and PVA programs.

The Division of Statewide Accounting Services is responsible for maintenance and operation of the central statewide accounting system and provides centralized accounting of all receipts and disbursements of the Commonwealth. In addition, this division prepares daily, monthly, and annual financial reports, which constitute a complete report of the financial activities and condition of the Commonwealth.

The Office of Financial Management manages the state's investments and debt. This includes managing cash flow to maximize the return on state investments, making debt service payments, managing the sale of bonds, and reporting to the General Assembly on all investment and debt matters. The Office is responsible for developing a long-term debt plan for the Commonwealth, including the development of criteria for the issuance of debt, providing an evaluation of how much total state debt is justified, and evaluating revenue projections relative to proposed revenue bond issues. The Office handles all investments on behalf of the General Fund, the Capital Construction Fund, the Transportation Fund, and approximately 50 other accounts.

The Office of Material and Procurement Services is responsible for the central purchasing and materials management for state government (excluding construction and road maintenance). The Office supports the Procurement Desktop software module of MARS, designing and testing modifications to the software to ensure it meets the needs of using agencies. The Procurement Services Branch and the Procurement of Technology Services Branch are responsible, with respect to their area of expertise, for purchasing all commodities and non-professional services for state agencies that exceed an agency's small purchase authority limit. The Government Contract Review Branch provides administrative oversight and review of all personal service contracts and Memoranda of Agreement, and ensures compliance with the provisions of KRS Chapter 45A prior to forwarding contracts to the Legislative Research Commission, Government Contract Review Committee, for approval.

The Office of the Customer Resource Center (CRC) operates a help desk to support nearly 5,000 users of the MARS system and is responsible for training Commonwealth employees on all MARS products. In addition, CRC is responsible for developing and analyzing reports to identify areas that need improvement.

The Office of Policy and Audit is responsible for assuring the reliability and integrity of information used to support management decision making, evaluating how state assets are safeguarded, providing risk and insurance management to the Cabinet, and appraising the economy and efficiency of resource use. Staff also ascertains whether the operations and programs are being implemented as planned, and performs special studies at the request of management.

## **Policy**

Notwithstanding KRS 61.470(4), no money is appropriated for the Social Security Contingent Liability Fund established by KRS 61.470(4). Any expenditures that may be required by KRS 61.470(4) are hereby deemed a necessary governmental expense and shall be paid from the General Fund Surplus Account (KRS 48.700) if available or from any available balance in either the Judgments budget unit appropriation or the Budget Reserve Trust Fund Account (KRS 48.705), subject to the conditions and procedures provided in the Appropriations Act.



# Finance and Administration

## Debt Service

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Enacted FY 2007	Enacted FY 2008
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	316,417,800	328,655,100	320,260,800	328,147,100	327,397,800
Special Appropriation	428,000				
<b>Total General Fund</b>	316,845,800	328,655,100	320,260,800	328,147,100	327,397,800
<b>Tobacco Settlement-Phase I</b>					
Tobacco Settlement - I	20,671,200	17,842,600	17,847,400	17,842,700	17,847,400
Continuing Appropriation	2,019,100				
<b>Total Tobacco Settlement-Phase I</b>	22,690,300	17,842,600	17,847,400	17,842,700	17,847,400
<b>Road Fund</b>					
Regular Appropriation	2,505,000				
<b>Total Road Fund</b>	2,505,000				
<b>TOTAL SOURCE OF FUNDS</b>	342,041,100	346,497,700	338,108,200	345,989,800	345,245,200
<b>EXPENDITURES BY CLASS</b>					
Debt Service	289,083,300	346,497,700	338,108,200	345,989,800	345,245,200
<b>TOTAL EXPENDITURES</b>	289,083,300	346,497,700	338,108,200	345,989,800	345,245,200
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	276,240,400	328,655,100	320,260,800	328,147,100	327,397,800
Tobacco Settlement-Phase I	10,337,900	17,842,600	17,847,400	17,842,700	17,847,400
Road Fund	2,505,000				
<b>TOTAL EXPENDITURES</b>	289,083,300	346,497,700	338,108,200	345,989,800	345,245,200

Previously authorized State Property and Buildings Commission General Fund debt service for all agencies is consolidated in the Finance and Administration Cabinet. All new 2006-2008 State Property and Buildings Commission General Fund debt service (except that which directly affects the Finance and Administration Cabinet's programs) is reflected in budgets of the affected agencies.

The Budget of the Commonwealth includes General Fund debt service totaling \$3,492,000 in fiscal year 2006-2007 and \$11,137,000 in fiscal year 2007-2008 to support new Finance and Administration Cabinet capital projects.

**Finance and Administration  
Facilities and Support Services**

	<b>Revised FY 2006</b>	<b>Requested FY 2007</b>	<b>Requested FY 2008</b>	<b>Enacted FY 2007</b>	<b>Enacted FY 2008</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	7,242,600	8,978,900	28,640,400	7,518,200	7,526,800
Salary Compensation Fund	622,200				
<b>Total General Fund</b>	7,864,800	8,978,900	28,640,400	7,518,200	7,526,800
<b>Restricted Funds</b>					
Balance Forward	3,683,700	3,163,700	2,388,700	2,015,100	940,100
Current Receipts	28,762,000	29,034,200	30,407,500	29,034,200	30,407,500
Fund Transfers	-232,500			-200,800	-583,400
<b>Total Restricted Funds</b>	32,213,200	32,197,900	32,796,200	30,848,500	30,764,200
<b>TOTAL SOURCE OF FUNDS</b>	40,078,000	41,176,800	61,436,600	38,366,700	38,291,000
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	19,824,900	22,243,600	23,644,600	19,845,000	20,318,900
Operating Expenses	16,029,000	15,614,700	16,568,900	15,614,700	16,568,900
Debt Service			19,249,000		
Capital Outlay	509,000	466,900	466,900	466,900	466,900
Construction	1,700,000	462,900	462,900	1,500,000	532,500
<b>TOTAL EXPENDITURES</b>	38,062,900	38,788,100	60,392,300	37,426,600	37,887,200
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	7,864,800	8,978,900	28,640,400	7,518,200	7,526,800
Restricted Funds	30,198,100	29,809,200	31,751,900	29,908,400	30,360,400
<b>TOTAL EXPENDITURES</b>	38,062,900	38,788,100	60,392,300	37,426,600	37,887,200
<b>EXPENDITURES BY UNIT</b>					
Commissioner's Office	355,400	382,200	19,648,200	346,600	348,900
Engineering and Contract Administration	4,681,500	5,436,300	5,701,800	4,856,500	4,856,500
Real Property	1,135,100	1,343,400	1,416,500	1,135,100	1,143,700
Historic Properties	514,900	547,200	561,900	516,900	521,600
Building and Mechanical Services	30,420,000	30,040,500	31,984,200	29,597,100	30,027,300
State Surplus Property	439,700	469,900	486,600	456,800	462,800
Federal Surplus Property	516,300	568,600	593,100	517,600	526,400
<b>TOTAL EXPENDITURES</b>	38,062,900	38,788,100	60,392,300	37,426,600	37,887,200

The Department for Facilities and Support Services consists of the Commissioner's Office and five offices/divisions: Engineering and Contract Administration; Historic Properties; Real Properties; Surplus Properties; and the Office of Building and Mechanical Services. The Department manages the State's facilities construction program, maintains Finance and Administration Cabinet buildings, provides management and oversight of state-owned historical buildings and sites, and provides real property acquisition, disposition, leasing, and inventory services.

The Commissioner's Office coordinates and supervises the activities of the five offices/divisions authorized in KRS 42.027.

The Division of Engineering and Contract Administration provides professional and technical engineering and architectural services to state agencies, reviews capital construction design documents, acts as a liaison between the Department and state agencies on new construction and major maintenance projects, and monitors construction and maintenance contracts for compliance with plans and specifications. Responsible for administering the procurement process for construction projects of the Commonwealth of Kentucky, excluding roads and bridges. Procurement procedures and practices are prescribed by the Kentucky Model Procurement Code, KRS 45A, and the related administrative regulations. The Division

prepares invitations to bid, opens and evaluates those bids, and awards procedures and practices are prescribed by the Kentucky Model Procurement Code, KRS 45A, and the related administrative regulations. The Division prepares invitations to bid, opens and evaluates those bids, and awards contracts. The General Contracting Branch provides general construction procurement, administers the advertising and awarding of state general construction projects and related support systems, provides procurement information to state agencies, and administers procurement programs for new building construction, renovation, and mechanical, electrical, and HVAC systems. The Specialized Contracting Branch administers the advertising and awarding of state specialized construction projects and related support systems, provides procurement information to state agencies, administers programs such as reclamation under the Abandoned Mines Lands program, the procurement of state-owned telephone switching systems, asbestos abatement projects, and master agreements for maintenance of elevators, escalators, and similar services. The Administrative Services Branch and the Pre-Audit Branch provide support services to the Division and Department.

The Division of Real Properties provides buildings and parking facilities for state agencies throughout the Commonwealth. The Leased Properties Branch is responsible for administering space requests for leased property, acquisitions of privately-owned leased property for state use, lease renewals and cancellations, modifications to leased property, and related activities. The State Properties Branch administers space assignments for state-owned real property, acquisitions and sales of real properties, leases of state-owned real property to other entities, easements on state-owned real property, appraisals and appraisal reviews for acquisitions and dispositions, authorization of demolition of state-owned buildings, and relocation assistance. The Inventory and Property Utilization Branch plans space utilization including minor building alterations and renovations and interior space standards and administers inventory of state-owned real property, inventory of state-owned leased-out real property, inventory of state leased-in real property, building use permits, reserved parking assignments in Frankfort, and deed and easement records of state-owned real property.

The Division of Historic Properties, in accordance with KRS 42.019 and KRS 11.026, is responsible for the preservation and maintenance of Finance and Administration Cabinet-owned historic sites including the Kentucky State Capitol, Executive Mansion, Old Governor's Mansion, Berry Hill Mansion, and the Vest-Lindsey State Meeting House. The Division consults with the Department of Parks to preserve and maintain those historic sites under the management and control of the Tourism Development Cabinet. The same consultation services are provided to other agencies within state government as requested. The Director of the Division of Historic Properties serves as State Curator and a member of the Historic Properties Advisory Commission. The Commission is statutorily responsible for overseeing the maintenance, restoration, preservation, and care of furnishings and grounds of the Executive Mansion, Old Governor's Mansion, and State Capitol grounds. Historic Properties staff is responsible for scheduling and coordinating events held in the public areas of the Capitol Building and grounds. Staff have established and implemented policies and guidelines for the use of this space to allow public access while preserving and protecting the historic and architectural integrity of the buildings and grounds.

The Office of Building and Mechanical Services, which includes the Division of Building Services and the Division of Mechanical Services, as authorized by KRS 42.027, provides services for all Finance and Administration Cabinet-operated buildings and for the state agencies occupying those facilities.

In Frankfort, the Office is responsible for several buildings including the Capitol, New Capitol Annex, Old Capitol, Old Capitol Annex, Capital Plaza Complex, Human Resources Building, Executive Mansion, Old Governor's Mansion, New State Office Building, Library and Archives Building, Central Lab Facility, the Kentucky History Center and the new Transportation Cabinet building. The Office also service buildings at the London Regional and Madisonville state office complexes as well as the Spindletop Research Complex in Fayette County and offices in Ashland, Jackson, Louisville, Owensboro, and Richmond that were formerly owned and operated by Cabinet for Health and Family Services. Services provided include minor renovations; maintaining parking lots, sidewalks and ramps; janitorial and landscaping services; maintaining the heating, ventilating, and air conditioning systems; maintaining special equipment within the buildings as requested; roof repair; fire alarm and security systems; electrical systems; energy conservation; maintaining elevators and escalators; maintaining emergency power systems; and after-hours emergency services.

Additionally, the Office is responsible for developing plans and specifications for a wide variety of construction projects. After plans and specifications are complete and have been approved, the Office oversees the construction phase and provides contract administration.

## **Policy**

The Budget of the Commonwealth assumes no increase in the rate charges for rent and utilities so they will remain at the fiscal year 2006 level throughout the biennium. The actual receipts reflected will be higher due to the increased square footage under management.

The Budget of the Commonwealth assumes the Commissioner's Office will be supported with Restricted Funds in the fiscal 2006-2008 biennium.

**Finance and Administration**  
**County Costs**

	<b>Revised FY 2006</b>	<b>Requested FY 2007</b>	<b>Requested FY 2008</b>	<b>Enacted FY 2007</b>	<b>Enacted FY 2008</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	18,681,500	18,681,500	18,681,500	19,181,500	20,481,500
<b>Total General Fund</b>	18,681,500	18,681,500	18,681,500	19,181,500	20,481,500
<b>Restricted Funds</b>					
Balance Forward	204,000	156,000	83,000	156,000	83,000
Current Receipts	1,877,000	1,877,000	1,877,000	1,877,000	1,877,000
<b>Total Restricted Funds</b>	2,081,000	2,033,000	1,960,000	2,033,000	1,960,000
<b>TOTAL SOURCE OF FUNDS</b>	20,762,500	20,714,500	20,641,500	21,214,500	22,441,500
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	1,650,000	1,675,000	1,675,000	1,675,000	1,675,000
Operating Expenses	14,631,500	14,631,500	14,631,500	15,131,500	16,431,500
Grants, Loans or Benefits	4,325,000	4,325,000	4,325,000	4,325,000	4,325,000
<b>TOTAL EXPENDITURES</b>	20,606,500	20,631,500	20,631,500	21,131,500	22,431,500
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	18,681,500	18,681,500	18,681,500	19,181,500	20,481,500
Restricted Funds	1,925,000	1,950,000	1,950,000	1,950,000	1,950,000
<b>TOTAL EXPENDITURES</b>	20,606,500	20,631,500	20,631,500	21,131,500	22,431,500
<b>EXPENDITURES BY UNIT</b>					
Public Defender Program	1,600,000	1,625,000	1,625,000	1,625,000	1,625,000
Witnesses	160,000	160,000	160,000	160,000	160,000
DUI Service Fees	1,425,000	1,425,000	1,425,000	1,425,000	1,425,000
Sheriffs Fees'	8,834,000	8,834,000	8,834,000	9,334,000	10,634,000
County Clerks (Make Tax Bills)	320,000	320,000	320,000	320,000	320,000
Board Of Assessment Appeals	60,000	60,000	60,000	60,000	60,000
Fugitive From Justice	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Jury Fund	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000
Sheriffs Expense Allowance	500,000	500,000	500,000	500,000	500,000
Premium On Sheriffs' Bonds	7,500	7,500	7,500	7,500	7,500
Access to Justice	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000
<b>TOTAL EXPENDITURES</b>	20,606,500	20,631,500	20,631,500	21,131,500	22,431,500

The County Cost program pays local officials for the performance of functions required by state statutes. For example, a sheriff is paid by the state for services rendered to the state for enforcing state laws. This falls within the Criminal Prosecutions program. A witness in a state court trial is paid by the state for performing a function required by state statute. This is an example of the Miscellaneous Fee program. Payments under the County Costs program are statutorily mandated and are regarded as a necessary governmental expense.

Under KRS 27A.630, as amended by House Bill 163 in the 2003 session of the General Assembly, filing fees for civil actions include \$20 in Circuit Court and \$10 in District Court to support access to justice by indigent clients. The fees are paid to the General Fund, and the Finance and Administration Cabinet distributes them monthly to non-profit agencies designated by the Chief Justice in each judicial district to provide the legal services.

KRS 31.185 requires the fiscal court or legislative body of an urban county government, containing less than ten

circuit judges, to annually appropriate twelve and one-half (\$0.125) cents per capita, of the population of the county as determined by the Council of Local Governments' most recent population statistics, to a special account to be administered by the Finance and Administration Cabinet. The funds, which shall not lapse, shall be used to pay all court orders (KRS 31.185) that have been entered into as a result of a needy defendant's motion for funding assistance. If the funds are depleted in any given year, any unpaid court orders will be paid as a judgment against the Commonwealth.

### **Policy**

Funds required to pay county costs are appropriated and additional funds may be allotted from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705) by the Secretary of the Finance and Administration Cabinet as a necessary governmental expense, subject to the conditions and procedures provided in the Appropriations Act.

The Budget of the Commonwealth includes additional General Funds in the amount of \$500,000 in fiscal year 2006-2007 and \$1,800,000 in fiscal year 2007-2008 to pay expected increases in claims from the county sheriff's. These claims will be for increased court security costs associated with the new or upgraded courthouses that are expected to be completed in the upcoming biennium. These courthouse projects were authorized by previous sessions of the General Assembly.

**Finance and Administration**  
**Commonwealth Office of Technology**

	<b>Revised FY 2006</b>	<b>Requested FY 2007</b>	<b>Requested FY 2008</b>	<b>Enacted FY 2007</b>	<b>Enacted FY 2008</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation			3,143,000		
<b>Total General Fund</b>			3,143,000		
<b>Restricted Funds</b>					
Balance Forward	4,911,700	4,373,000	3,173,100	7,429,400	7,950,700
Current Receipts	60,714,200	62,124,400	62,124,400	61,689,800	61,514,800
Non-Revenue Receipts		-543,000	-543,000		
<b>Total Restricted Funds</b>	65,625,900	65,954,400	64,754,500	69,119,200	69,465,500
<b>Federal Funds</b>					
Balance Forward	14,700	1,300		1,300	
Current Receipts	2,523,600	861,800	775,000	861,800	775,000
<b>Total Federal Funds</b>	2,538,300	863,100	775,000	863,100	775,000
<b>Road Fund</b>					
Regular Appropriation	125,000	125,000	125,000		
<b>Total Road Fund</b>	125,000	125,000	125,000		
<b>TOTAL SOURCE OF FUNDS</b>	68,289,200	66,942,500	68,797,500	69,982,300	70,240,500
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	31,112,600	38,464,600	40,430,200	32,867,700	33,658,300
Operating Expenses	23,120,200	23,386,700	23,392,700	23,245,800	23,249,100
Grants, Loans or Benefits	20,000	20,000	20,000	20,000	20,000
Debt Service			3,143,000		
Capital Outlay	3,205,700	1,531,800	1,443,700	1,531,800	1,443,700
Construction	3,400,000	366,300	366,300	4,366,300	5,366,300
<b>TOTAL EXPENDITURES</b>	60,858,500	63,769,400	68,795,900	62,031,600	63,737,400
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund			3,143,000		
Restricted Funds	58,196,500	62,781,300	64,752,900	61,168,500	62,962,400
Federal Funds	2,537,000	863,100	775,000	863,100	775,000
Road Fund	125,000	125,000	125,000		
<b>TOTAL EXPENDITURES</b>	60,858,500	63,769,400	68,795,900	62,031,600	63,737,400
<b>EXPENDITURES BY UNIT</b>					
Commonwealth Office of Technology	4,897,100	3,376,100	6,471,400	3,170,600	3,098,900
Application Development	11,883,600	13,293,200	13,947,500	13,615,200	13,883,600
Infrastructure Services	41,932,100	44,511,000	45,678,800	43,212,500	44,682,000
Enterprise Policy and Project Management	2,145,700	2,589,100	2,698,200	2,033,300	2,072,900
<b>TOTAL EXPENDITURES</b>	60,858,500	63,769,400	68,795,900	62,031,600	63,737,400

The Commonwealth Office of Technology (COT) provides leadership, policy direction, and technical support to all executive branch agencies in the application of information technology and the delivery of information services. This broad statement of responsibility encompasses major information resource functions such as data center operations; voice, data, and video communications; application development; data and security administration; computer hardware selection and installation; and related end-user and customer support services. The workload for COT is highly sensitive to agency programmatic shifts, particularly changes mandated by state and federal legislation.

The Commonwealth Office of Technology provides support for major management systems throughout state government.

- Automated Management and Administrative Reporting System (MARS)
- Kentucky Vehicle Registration and Information System (KVIS and AVIS)
- Department of Revenue's tax systems
- Driver's license system
- Uniform Payroll and Personnel System (UPPS)
- Kentucky State Police systems
- Education technology system
- Kentucky's Electronic Workplace for Employment Services (KEWES)

COT consists of four units for budgetary purposes: the Office of the Commissioner, Application Development, Infrastructure Services, and Enterprise Policy and Project Management.

The Commissioner is responsible for developing strategies and policies to promote the effective application of information technology within state government as a means of saving money, increasing efficiency and employee productivity, and improving services to the public, including electronic access to information of the Commonwealth.

The Office of Application Development analyzes, designs, develops and installs systems and applications for client agencies throughout state government. Support is provided for systems that drive mission-critical activities for the Commonwealth, including public assistance, public health and safety, collection of taxes, and financial and personnel management of state government. The Office provides consulting services and support in a broad range of technical environments including Windows NT, 2000, and XP; UNIX; and Z/OS using languages such as Java, VB, .NET, COBOL, SAS, and others.

The Office of Infrastructure Services operates the Commonwealth's enterprise computing and communications environment. This Office includes the daily operation of the Commonwealth Data Center, operation and maintenance of the Kentucky Information Highway, and all communication services, including data, voice, video and wireless. Other responsibilities include providing help desk assistance to end-users and ensuring the security of client information in the areas of electronic commerce and network computing. The Division of Printing provides agencies with hard copy access to information, especially for high volume, color, and wide-format documents, as well as print project planning, consulting and electronic forms design.

The Office of Enterprise Policy and Project Management is responsible for the statewide strategic information technology (IT) plan. Staff in this office assist state agencies in developing their own IT plans that conform with the policies and architecture standards determined by COT. Other responsibilities include enterprise capacity planning, testing, research and development.

The Kentucky Geospatial Board is attached to the Commonwealth Office of Technology for administrative purposes. The Board is charged with advising the Commissioner on issues relating to geographic information and geographic information systems (GIS). The Board recommends policies and procedures that assist state and local jurisdictions in developing, deploying, and leveraging geographic information resources and GIS technology for the purpose of improving public services.

The Commonwealth Office of Technology operates as an internal service fund agency with budgetary support derived through the application of a federally-approved cost allocation plan, which distributes costs to user agencies based upon utilization of services.

The Governor has directed COT to review the IT infrastructure for each executive branch agency and to consolidate operational control under COT when it is in the best interests of the Commonwealth to do so. COT has entered into agreements with the Commerce Cabinet and the Governor's Office for Local Development (GOLD) to assume responsibility for providing all IT, communications, and printing services for those two agencies. Consolidation of IT infrastructure functions from other Cabinets in COT will continue through the remainder of 2006. It is the intent of COT for application development and programming functions to remain in the agencies that have them. The Office of Application Development will provide development services to agencies that request them, billing for those services at a competitive hourly rate.

The rate schedule by which COT bills agencies for IT services has been realigned for the 2006-2008 biennium to more accurately reflect actual cost. By consolidating infrastructure services and purchases of equipment and software licenses, COT expects to be able to provide most basic services for a lower rate than in previous years.

## Finance and Administration

### Revenue

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Enacted FY 2007	Enacted FY 2008
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	62,860,700	72,525,200	80,202,000	71,880,000	73,234,300
Salary Compensation Fund	1,759,300				
Base Deduction	-3,184,100				
<b>Total General Fund</b>	61,435,900	72,525,200	80,202,000	71,880,000	73,234,300
<b>Tobacco Settlement-Phase I</b>					
Tobacco Settlement - I	175,000	175,000	175,000	175,000	175,000
<b>Total Tobacco Settlement-Phase I</b>	175,000	175,000	175,000	175,000	175,000
<b>Restricted Funds</b>					
Balance Forward	2,962,500	2,103,600	1,055,300	1,160,800	1,027,700
Current Receipts	3,716,200	4,248,400	4,248,400	4,248,400	4,248,400
Fund Transfers	-1,000,000				
<b>Total Restricted Funds</b>	5,678,700	6,352,000	5,303,700	5,409,200	5,276,100
<b>Road Fund</b>					
Regular Appropriation	1,418,000	1,418,000	1,418,000	2,000,000	2,000,000
<b>Total Road Fund</b>	1,418,000	1,418,000	1,418,000	2,000,000	2,000,000
<b>TOTAL SOURCE OF FUNDS</b>	68,707,600	80,470,200	87,098,700	79,464,200	80,685,400
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	43,364,600	54,718,700	58,013,200	49,854,600	51,998,100
Operating Expenses	24,182,200	24,696,200	24,685,500	28,581,900	27,789,800
Debt Service			4,400,000		
<b>TOTAL EXPENDITURES</b>	67,546,800	79,414,900	87,098,700	78,436,500	79,787,900
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	61,435,900	72,525,200	80,202,000	71,880,000	73,234,300
Tobacco Settlement-Phase I	175,000	175,000	175,000	175,000	175,000
Restricted Funds	4,517,900	5,296,700	5,303,700	4,381,500	4,378,600
Road Fund	1,418,000	1,418,000	1,418,000	2,000,000	2,000,000
<b>TOTAL EXPENDITURES</b>	67,546,800	79,414,900	87,098,700	78,436,500	79,787,900
<b>EXPENDITURES BY UNIT</b>					
Commissioner's Office	22,690,400	23,330,700	28,059,800	26,446,300	25,691,200
Property Valuation	5,347,400	6,520,700	6,864,800	5,570,800	5,683,900
Field Operations	11,678,600	14,112,900	14,876,700	12,675,000	13,036,200
Income Taxation	5,110,700	6,792,500	7,182,800	6,398,200	6,676,400
Sales and Excise Taxes	5,275,300	6,380,300	6,651,100	5,933,800	6,481,100
Processing and Enforcement	17,444,400	22,277,800	23,463,500	21,412,400	22,219,100
<b>TOTAL EXPENDITURES</b>	67,546,800	79,414,900	87,098,700	78,436,500	79,787,900

The Department of Revenue is responsible for the thorough and equitable administration of all state revenue laws, and for the assessment and collection of 47 separate state taxes. The Department aims to ensure the taxpayer's voluntary compliance with the revenue laws, to enforce such laws in those instances where necessary, and to supervise and assist county property valuation administrators in their implementation of the property tax laws.

The Commissioner's Office includes the Division of Legislative Services, the Division of Special Investigations, and the



Office of the Taxpayer Ombudsman. Department-wide costs such as office rent, printing, postage, and information technology are budgeted in this unit.

The Office of Property Valuation monitors and evaluates the real property assessments produced by the 120 locally-elected Property Valuation Administrators (PVA's). The division is charged with assessing the property of public service companies; collecting and distributing personal property taxes; and providing education, training, and technical support to the PVA's and sheriffs.

The Office of Field Operations has 10 regional taxpayer service centers located across the state and is responsible for field audits and providing taxpayer assistance.

The Office of Income Taxation administers individual and business income taxes, including employer withholding. The Office is responsible for technical tax research, compliance, taxpayer assistance, tax-specific training, and publications.

The Office of Sales and Excise Taxes administers sales and use taxes and miscellaneous excise taxes. The Office conducts technical tax research and is responsible for compliance, taxpayer assistance, training and publications.

The Office of Processing and Enforcement receives all tax receipts, returns, refunds, documents and correspondence; registers new businesses; and maintains appropriate storage, retrieval and management of tax records for the Commonwealth.

## **Policy**

The enacted budget includes \$175,000 in tobacco settlement funds in each year of the biennium to enhance the enforcement of the provisions of KRS 131.600, 131.602, and 131.604 - 131.630. These funds are provided to safeguard the Tobacco Master Settlement Agreement, the fiscal soundness of the state, and the public health.

The Budget of the Commonwealth includes additional General Fund of \$8,476,000 in fiscal year 2007 and \$8,917,900 in fiscal year 2008 for enhanced efforts to collect taxes and other debts owed to agencies of the Commonwealth. Additional Road Fund of \$582,000 in each fiscal year is provided to enhance the collection of various fuel and vehicle taxes that are deposited into the Road Fund. The Department will employ 139 additional staff for the collections initiative. As a result, the enacted budget estimates that General Fund receipts will increase by \$20,349,500 in fiscal year 2007 and \$42,926,400 in fiscal year 2008. Road Fund collections are estimated to increase by \$559,900 in fiscal year 2007 and \$1,317,500 in fiscal year 2008.

The Department is authorized to promulgate administrative regulations to establish the criteria for recouping its collections costs and distributing funds that are collected for other state agencies and the Court of Justice pursuant to KRS Chapter 45.

Statutory changes included in the appropriations bill permit the Department to enter into agreements with the United States government and various local governments to offset claims by those entities for debts owed to them by persons who are due payments, including tax refunds, from the Commonwealth. The Department is also authorized to develop an electronic system to survey accounts in financial institutions for assets of delinquent taxpayers and to require the financial institution to surrender or encumber those funds. The Department will compensate the financial institutions for conducting the data match each quarter.

**Finance and Administration**  
**Property Valuation Administrators**

	<b>Revised FY 2006</b>	<b>Requested FY 2007</b>	<b>Requested FY 2008</b>	<b>Enacted FY 2007</b>	<b>Enacted FY 2008</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	30,532,600	37,673,100	39,875,700	32,769,300	33,399,300
Salary Compensation Fund	1,236,700				
<b>Total General Fund</b>	31,769,300	37,673,100	39,875,700	32,769,300	33,399,300
<b>Restricted Funds</b>					
Balance Forward	1,648,800	1,638,800	819,400	1,638,800	819,400
Current Receipts	3,500,000	2,690,600	2,690,600	3,500,000	3,500,000
<b>Total Restricted Funds</b>	5,148,800	4,329,400	3,510,000	5,138,800	4,319,400
<b>TOTAL SOURCE OF FUNDS</b>	36,918,100	42,002,500	43,385,700	37,908,100	37,718,700
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	34,847,300	40,751,000	42,953,600	36,656,700	37,286,700
Operating Expenses	432,000	432,100	432,100	432,000	432,000
<b>TOTAL EXPENDITURES</b>	35,279,300	41,183,100	43,385,700	37,088,700	37,718,700
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	31,769,300	37,673,100	39,875,700	32,769,300	33,399,300
Restricted Funds	3,510,000	3,510,000	3,510,000	4,319,400	4,319,400
<b>TOTAL EXPENDITURES</b>	35,279,300	41,183,100	43,385,700	37,088,700	37,718,700

Each of the state's 120 counties has a locally elected Property Valuation Administrator (PVA). The PVA and an appointed staff are responsible for locating, identifying, and assessing at fair market value all taxable real property (land and improvements), and tangible personal property in the county. Tax revenues generated by these assessments are used to fund services provided by the state, cities, counties, and school districts as well as special taxing districts such as fire departments, libraries, extension offices, and refuse disposal. Funding from the state, county, and city governments support the local Property Valuation Administrators' offices.

**Policy**

The Budget of the Commonwealth includes additional General Fund support of \$1,000,000 in fiscal year 2007 and \$1,630,000 in fiscal year 2008 for the cost of personnel in the offices of the Property Valuation Administrators.

Notwithstanding KRS 132.590 and KRS 132.597, Property Valuation Administrators may take necessary actions to manage expenditures within the budgeted amounts.